

Carol E. Dinkins cdinkins@velaw.com
Tel +1.713.758.2528 Fax +1.713.615.5311

September 19, 2013

Via Email

Mr. Ray Basso
Lower Passaic River Project Director
United States Environmental Protection Agency
Region II
290 Broadway
New York, New York 10007-1866

Re: Financial Assurance Pursuant to Administrative Settlement Agreement and Order on Consent, CERCLA Docket No. 02-2011-2016

Dear Mr. Basso:

This letter is in reply to yours of September 5, 2013, in which you advised that the balance of the referenced Trust Fund had dropped below \$2 million, and in which you directed Occidental Chemical Corporation ("OCC") to establish financial security in another form, as outlined in paragraph 109 of the above-referenced agreement.

In response to this directive, Tierra Solutions, Inc. (Tierra), acting on behalf of OCC, will perform as follows:

- For work performed in September and October by Tierra's consultants, Tierra will pay its consultants directly. It is expected that such work will be invoiced in October and November and will total approximately \$165,000 for the two months' work. Through the end of October, it is anticipated that \$1.753 million, against a \$3.5 million dollar budget, will have been expended. As such, the remaining budget balance will be \$1.747 million which will be funded via the new trust instrument as set forth below.
- Tierra will establish a trust fund on or before November 15, 2013, and at that time make the first installment payment in the amount of \$500,000.
- Tierra will pay into the trust fund the second installment on or before February 15, 2014, in the amount of \$623,547.

Vinson & Elkins LLP Attorneys at Law
Abu Dhabi Austin Beijing Dallas Dubai Hong Kong Houston London Moscow
New York Palo Alto Riyadh San Francisco Shanghai Tokyo Washington

1001 Fannin Street, Suite 2500
Houston, TX 77002-6760
Tel +1.713.758.2222 Fax +1.713.758.2346 www.velaw.com

- Tierra will pay the third installment on or before May 15, 2014, in the amount of \$623,546. These three installments will total \$1,747,093.

The substance of this response was discussed with Ms. Patricia Hick, Office of Regional Counsel, by telephone on September 6, 2013, and September 17, 2013.

Please do not hesitate to let me know if you have any questions.

Very truly yours,



Carol E. Dinkins

cc: Patricia C. Hick, Esq.
Office of Regional Counsel

William H. Hyatt, Jr., Esq.

US 2096985v.1